

236369 1999-132-C
236370 2011-329-C

COPY

Posted: *too*
Dept: *SA/ORS*
Date: *4/24/12*
Time: *12:10*



RECEIVED

Date: 4/23/2012

APR 24 2012

Re: Certificate of Deposit

PSC SC
MAIL / DMS

To: Jocelyn Boyd

From: Scott Loggins / OneTone Telecom, Inc.

SO PUBLIC SERVICE
COMMISSION

2012 APR 24 AM 10:48

RECEIVED

Mrs. Boyd,

Per our conversation I am including a copy of our Certificate of Deposit that has been opened in order to comply with the revised regulation notice we received for , 26 S.C. Code Ann. Regs. 103-607 (Supp. 2011). We would request that any proprietary information such as account numbers, etc be removed from any information made public concerning this matter. Thank you again for all your help.

Sincerely,

R. Scott Loggins

R Scott Loggins
OneTone Telecom, Inc.
864-985-3906

C DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0801

DAWN M. HIPPE
DIRECTOR

TELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER

August 8, 2011

*****REVISED REGULATION NOTICE****

Subject: 26 S.C. Code Ann. Regs. 103-607 (Supp. 2011)
Telephone Utilities Providing Retail Residential Local Exchange Services

To: All Telecommunications Companies Operating in the State of South Carolina

Per the recently revised regulation 26 S.C. Code Ann. Regs. 103-607 (Supp. 2011), all telephone utilities that provide retail residential local exchange service that have not invested at least five million dollars in telecommunications facilities in South Carolina will be required to file a bond or other security mechanism with the Public Service Commission of South Carolina ("PSC"). A copy of the bond should also be provided to the South Carolina Office of Regulatory Staff ("ORS"). This new regulation became effective on June 24, 2011.

In order to demonstrate compliance to the ORS and PSC, each company must either:

- 1) Verify in writing that it does not provide residential local exchange service; or
- 2) Verify that the Company individually or together with its affiliates has invested at least five (5) million dollars in telecommunications facilities in South Carolina; or
- 3) Apply for and receive a waiver from the Public Service Commission; or
- 4) File a bond or other security mechanism consistent with Regulation 103-607.

Each Telecommunications Company must demonstrate compliance with the new regulation by December 31, 2011. A copy of Regulation 103-607 is attached for your convenience.

Please contact me via e-mail or phone to discuss the regulation or requirements for maintaining compliance.

Sincerely,

Jim McDaniel

Program Manager

South Carolina Office of Regulatory Staff

803-737-0812

jmcdanie@regstaff.sc.gov

Enclosure

PUBLIC SERVICE COMMISSION

CHAPTER 103

Statutory Authority: 1976 Code Section 58-3-140

As published in the South Carolina State Register Vol. 35, Issue 6

June 24, 2011

103-607. Regulation Governing Telephone Utilities Offering Regulated Prepaid Local Exchange Services and Bonds or Other Security Mechanisms

Text:

103-607. Bonds or Other Security Mechanisms.

This regulation applies to telephone utilities who provide retail residential local exchange services and who individually or together with their affiliates, have not invested at least five million dollars in telecommunications facilities in the State of South Carolina. The commission may waive this requirement upon petition by the telephone utility if the telephone utility provides evidence of financial stability as deemed appropriate by the commission. This regulation does not apply to Commercial Mobile Radio Services. The commission shall determine the type and the amount of bond or other security mechanism to be filed by the carrier with the commission and the ORS. The commission may order the carrier to file a performance bond or post an irrevocable letter of credit or certificate of deposit. In determining the amount of the performance bond, irrevocable letter of credit, or certificate of deposit, the commission may use, at a minimum, any commercially reasonable, acceptable method, including the following criteria: number of customers, retail price for service, and financial resources of the carrier.

a. **Performance Bond.** Performance bonds must be issued by an A-grade insurer acceptable to the commission and must be posted with the commission and a copy provided to the ORS. However, the amount of the bond shall be no less than \$100,000. An updated bond shall be filed with the commission and a copy provided to the ORS annually.

b. **Irrevocable Letter of Credit.** An irrevocable letter of credit shall be issued by a financial institution acceptable to the commission. The amount of the irrevocable letter of credit shall be determined by the commission; however, the amount of the letter of credit shall be no less than \$100,000. An updated irrevocable letter of credit shall be filed with the commission and a copy provided to the ORS annually.

c. **Certificate of Deposit.** The certificate of deposit shall be issued by a financial institution acceptable to the commission and shall be no less than \$50,000. An updated certificate of deposit shall be filed with the commission and a copy provided to the ORS annually.

Forfeiture of Bond or Other Security Mechanism

The commission, after notice and hearing, may order all or part of any bond or other security forfeited upon finding that the telephone utility has abandoned service to customers.

Certificate of Deposit

Date

Opened: 03/30/12

Number:

Account Number:

Business 12 - 60 Month Certificate of Deposit

Amount of ***Fifty thousand and no/100***
Deposit:

\$ 50,000.00

This Time Deposit is Issued to

ONETONE TELECOM, INC
100 CENTURY PLAZA SUITE 9-1
SENECA, SC 29672-0000

Issuer

Community First Bank, member FDIC
1600 Sandifer Blvd
Seneca, SC 29679

Not Negotiable - Not Transferable - Additional terms are below.

By

Sherra Harrison

Account features - These are some basic features of your account. Your separate account disclosure contains more detailed information about these and other account features.

RATE - The interest rate on this account is 0.400%. You will be paid this rate until next maturity.

CREDITING, COMPOUNDING - Interest will be credited annually. Interest will be compounded annually.

TIME REQUIREMENTS - Your account has a term of 12 month(s). Your account matures on March 30, 2013.

AUTOMATICALLY RENEWABLE - Your account automatically renews at maturity. Each renewal term will be the same as the original term. The interest rate will be the rate we offer on new certificates on the maturity date which have the same features as the renewed certificate. You will have a grace period of ten calendar day(s) after maturity to withdraw without penalty. You may prevent renewal if you withdraw the funds in the account at maturity.

EARLY WITHDRAWAL PENALTY - The penalty we will impose will equal three months interest on the amount withdrawn subject to penalty. Some exceptions may apply.

INTEREST COMPUTATION - Interest will be calculated using the daily balance method.

OWNERSHIP: Corporation (for profit) (Terms, Page 2.)

The undersigned agree to the terms of, and acknowledge receipt of, the completed original copy of pages 1 and 2 of this form and the following policy disclosure(s): Account Terms, Fees/Limits

[X] *R. Scott Loggins*
R SCOTT LOGGINS

I.D. # _____ D.O.B. _____

[X] _____

I.D. # _____ D.O.B. _____

[X] _____

I.D. # _____ D.O.B. _____

DEPOSIT LIMITS - You may not make additional deposits to the account before maturity.

WITHDRAWAL LIMITS - You may not make withdrawals of principal before maturity. You can only withdraw interest credited during the term without penalty. You can withdraw credited interest anytime during the term.

BACKUP WITHHOLDING CERTIFICATIONS

TIN:

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☒ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X *R. Scott Loggins* (Date) _____

Number of endorsements required for withdrawal 1

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____

X _____

X _____

READ PAGE TWO FOR ADDITIONAL TERMS

(page 1 of 2)